THE DEPUTY CHAIRMAN: The main question is whether they have asked for a separate state. About a separate state you have asked for the details. About that he said that they are not considering the demand. Other details he is going to place on the Table of the House.

SHRI DEBA PRASAD RAY: A similar movement has been going on in the northern part of Bengal comprising Jalpaiguri and Cooch Behar districts. That is also called Uttarakhand. It has been persisting for the last three, four years. It is spearheaded by the local people called Rajbansies who feel that they are *socially ill-treated and economically* backward. I feel that in the light of the recent achievement by Subhash Ghising of having a District Council formed in Darjeeling, this would embolden them further to intensify their movement in Jalpaiguri and Cooch Behar. I would like to know from the hon. Minister if the Government have taken note of this movement, have taken cognizance of this movement and whether some measures are being proposed by the Government to contain this movement so that there is no slogan of separatism in Bengal again.

SHRI SANTOSH MOHAN DEV: Madam, as I said, in various parts of the country, in economically backward areas such movements are there, and we have always taken corrective steps by giving special plan assistance. The movement which the hon. Member has just now mentioned is known to us. I would need a separate notice to answer this. This is quite a sensitive issue. But the suggestion given by him is noted, and we shall take care. It will be very difficult to say elaborately on it without proper notice.

Export of Iron Ore to Japan

*365. SHRI SHANKER SINH VEGHELA:
SHRI PRAMOD MAHAJAN†:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that India is getting four per cent lower price for the last few months from Japan for its iron ore and that these prices are barely two-thirds of what they use to be in 1982-83;

(b) if so, what are the facts in this regard and its impact on the mining industry in Goa and other places; and

(c) what steps have been taken to improve the iron ore exports position in the international market and to reduce overdependence on a single bulk market like Japan and with what results?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) to (c) A statement is laid on the Table of the House.

Statement

Price realization on iron ore fines exported to Japan from Bailadila mines, which represent the price settlement trend, during the current fiscal year in terms of US$ is lower by 4 per cent than in 1987-88 due to decline in prices of iron ore in the international market. There has been no price reduction on exports of iron ore lumps. As compared to the price realised on these lumps and fines in 1982-83, the price currently being realised in terms of US$ is lower by 28.72 per cent and 32.56 per cent respectively. Lower realization from iron ore exports coupled with the increase in cost of

†The question was actually asked on the floor of the House by Shri Pramod Mahajan.

production has led to an erosion of profits of the mining industry.

Market diversification, formulation of plans for expansion of port capacity to accommodate large-sized vessels at Maddas, Vizag and Paradip to make exports competitive, tying up of export sales through long term agreements with major buyers of iron ore, extension of benefits of 100 per cent EOU Scheme to mining and integrated projects involving mining etc. are some of the steps taken to improve exports of iron ore in the international market. Japan is our major market in view of its substantial long term import requirements of iron ore, but other markets are not neglected.

श्री प्रमोद महाजन : उपसभापति महोदया, मूल प्रश्न मैंने विशेष रूप से गोआ के संबंध मे पूछा था कि लौह अयस्क के कुल निर्यात का लगभग आधा गोआ से निर्यात होता है। उसमें से भी 65 प्रतिशत लौह अयस्क जापान को जाता है। गत तीन वर्षों में यह समस्या इतनी गंभीर हो गई है कि विदेशी मुद्रा की प्राप्ति 169 करोड़ से घटकर 90 करोड़ तक आ पहुंची है। इस दृष्टि से मंत्री महोदय से मैं जानना चाहूंगा कि जो प्रश्न ख में मैंने पूछा था कि जापान के इस निर्णय का गोआ की खदानों पर क्या असर हुआ है, गोआ की दृष्टि से विशेष रूप से सरकार इस बारे में क्या प्रयास कर रही है ?

SHRI P. R. DAS MUNSHI: Madam, in part (b) the question raised is not only about the impact in Goa but in other places also. But, since the hon. Member is very keen to know the impact in Goa, I would like to inform the hon. Member that Goa has a unique facility in the sense they are private exporters, not the MMTC. They are supported to export the iron-ore, and they do not have to carry the burden of the railway freight which the MMTC has to carry in other parts of the country. But the overall position of the iron ore is to be looked at without isolating Goa and the rest of the part of India. The overall position of iron ore in the international market is very much depressive. The recession in the steel industry obviously compelled Japan, the main importer of iron ore to cut down their off-take affecting largely the iron ore industry both in Goa and in Orissa and Bailadila and many parts of India. So far as overall profitability is concerned, I can tell the hon. Member that in terms of profitability, MMTC is suffering a loss and they have paid more than Rs. 20 crores for the last one year but not the Goa Exporters because they do not have to carry the additional burden of the railway freight. This is exactly the position

श्री प्रमोद महाजन : उपसभापति महोदया, लोहा एश की समस्या निश्चित रूप से विश्व समस्या है और जापान में कारें बननी कम होने के कारण स्वाभाविक रूप से लोहा एश की मांग भी कम हो रही है। इस दृष्टि से अपेक्षा यह है कि हम को जापान को छोड़ कर दुनिया के अन्य बाजारों में भी अपने ग्राहकों को ढूंढना पड़ेगा और इस दृष्टि से मैं सरकार से यह जानना चाहता हूं कि जापान को छोड़ कर अन्य ऐसे कौन से राष्ट्र हैं जिनमें अपना लोहा एश बेचने के लिए सरकार प्रयास कर रही है और क्या विशेष प्रयास हो रहे हैं उसके क्या परिणाम आये हैं ताकि केवल हम अकेले जापान पर निर्भर न रहें ?

SHRI P. R. DAS MUNSHI: Madam, Japan not only places orders for iron ore with us but they are the principal importers from India. Japan's consumption of steel and production of steel is the largest. Therefore, they need more iron ore not only from us but from many other competitors. So far as the total export of iron ore is concerned, Japan takes 69.6 per cent, South Korea 11.2 per cent, Rumania 5 per cent, West Europe 3.4 per cent and GDR 2.6 per cent. I would like to inform the hon. Member that there are two problems. While Brazil is one of our main competitors and they

have opened another new mine having a capacity of 35 million tonnes production, the freight advantage of Brazil towards Europe is much greater than India, while India's freight advantage is better so fas as Japan and Asian Coast is concerned, keeping that in view, our competition lies only with Australia, so far as Japan market is concerned. In the rest of the open market, we are finding it difficult to sell our iron ore due to Brazil's location and freight advantage which they have got. However, we are making all efforts to sell iron ore in the open market.

We proposed a long-term settlement very recently with South Korea and I had discussions with the Chairman of the HOSCO the largest steel plant in South Korea. He also agreed to have a long-term settlement with India once again for taking more iron ore. We had d scussions with Rumania and I myself have been there to sort out some problems. They have rupee generation problem. We have to buy some things from them as per the requirement of imports. So, these are the exact efforts that we are making.

Apart from that we have bought iron ore extract machineries under EOU 100 per cent scheme with duty free concessions. We are trying to tag our iron ore in exchange of bulk imports, if it is possible. These are a few exercises which we are making. Japan is also having steel mills which are cheapest. As you know, Madam, Japan has changed their steel production pattern. They are using electro process which need only a little staff. The steel technology of the whole world has changed. That is why we are faced with certain problems.

SHRI V. NARAYANASAMY: Madam Deputy Chairman, the hon. Minister has said that the cost of the steel production has become lesser by 28.72 per cent and 32.56 per cent respectively when compared to the figure of 1982-83. He also said further that cost of production has gone up. Madam, I would like to show that the transport cost of iron ore has added to the cost production of iron ore in Goa, Orissa and other places. Therefore, I would like to know from the hon. Minister what are the incentives the Government is giving to the exporters so that the cost of production and the export market can be maintained very well.

SHRI P. R. DAS MUNSHI: Madam, it is a fact that the transport cost is really going very high. We cannot avoid the railway freight, we cannot avoid the usual handling charges and other mode of transport in the mining areas. But I would like to inform the hon. Member that the MMTC buy this material from the mines itself, whether it is the Orissa Mining Corporation, the National Mineral Development Corporation or the private owners and the MMTC do pay the exact amount to the miners without effecting any loss to them. Whatever loss is there, that is because of high transport charges and that loss the MMTC has to bear. The loss is incurred by the MMTC and not by the private mine owners or the organised public sector miners or others. That is exactly what I can inform the hon. Member.

SHRI YASHWANT SINHA: Madam, the Minister has just mentioned about the long term arrangements that the Government proposes to enter into with various countries especially Japan and South Korea. I am also aware of exports which are taking place to China of iron ore. Now what I would like to know from the Minister is that iron ore is basically a primary product and it is not to our advantage to continue to be exporters of iron ore. I would like to know whether the Government have any policy to gradually phase out the exports of iron ore to the maximum extent possible and take to the export of finished products, namely steel etc.

SHRI P. R. DAS MUNSHI: Madam, I may inform the hon. Member, as a citizen of India, the Minister of the Government and Member of

the House, each one of us feels that India should attain a stage of self-sufficiency in steel. We will certainly export finished products of steel but at the present moment, our own requirement of steel is there. We do not have even capacity to produce steel by our own raw material, that is iron ore. The result is that the iron ore deposits which are there, if you do not export them and find a maket, then there will be a glur and a crisis of both economic and social nature in those parts of India. Keeping in view this position, we have no other option but to export iron ore to the extent possible.

SHRI N. K. P. SALVE: Madam, it is a very relevant question raised by my hon. friend and my supplementary arises out of it. It cannot be a mere wishful thinking of the two dynamic Ministers in the Commerce Ministry that instead of exporting the raw materials, they should be exporting the finished products. May I know from the Minister, if his Ministry can reply to this, what concrete steps have they taken when they find that the export of iron ore is difficult? Why don't they convert iron ore into finished goods specially sponge iron? It is very easy to convert it into sponge iron with any amount of gas which is available in in India and there is a tremendous demand for sponge all over the world. (*Interruption*)...

SHRI GHULAM RASOOL MATTO: But then they have to compete with the world market.

SHRI N. K. P. SALVE: Yes, that is what I am saying. No one is better placed than India today. In Maharashtra, close to Goa, if you have a sponge making plant, use Goa iron ore and use the Bombay High gas, it will be one of the cheapest sponge we will be making. In that direction, have they at least applied their mind, I mean the two dynamic Commerce Ministers?

SHRI P. R. DAS MUNSHI: Madam, I can anly inform the dynamic Member, Shri N. K. P. Salve that he handled very efficiently the Steel Ministry and he knows that this aspect can only be taken up by the Planning Commission and the Ministry of Steel. I am only for trade. Whatever they produce, I will find a better market for them.

Production of low priced blended Fabrics

*366. SHRI CHIMANBHAI MEHTA: Will the Minister of TEXTILES be pleased to state:

(a) what are the approved schemes for the production of low priced blended fabrics for the benefit of the weaker sections;

(b) whether NTC is losing on these fabrics;

(c) whether NTC is getting Polyester Filament Yarn and Polyester Staple Fibre at cheaper rates for these schemes, i.e by way of low rate of excise on these raw materials; if so, what is the benefit per kg. of PFY and PSF to NTC;

(d) whether Government provide loans to NTC at low interest rate to contain mounting losses of the Corporation; and

(e) what is the loss incurred by the the Gujarat subsidary of NTC during the last three years?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) The approved schemes for the production of low priced blended fabrics are Polyester Cotton Controlled Cloth Scheme, 'Sulabh' Blended Fabrics Scheme, 'Sowbhagya' Nylon Filament Cotton Blended Sarees Scheme, and 'Susman' Polyester